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# News Release

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## FOR IMMEDIATE RELEASE

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### **STATE OF THE REGION REPORT INDICATES SOUTHERN CALIFORNIA MAY BE READY TO TURN AROUND FAILING GRADES**

**LOS ANGELES, CA** – Southern California still struggles with quality of life issues, but finally has the resources and consensus to make improvements according to a State of the Region report released today by the Southern California Association of Governments (SCAG). The report cites worsening traffic congestion, poor air quality, a nearly record low level of affordable housing and weak household income rate as major challenges to the region's well being.

The State of the Region serves as an annual "Report Card" for the six-county SCAG region, rating its performance in seven policy categories, including mobility, employment, income, housing, air quality, safety and education. SCAG also included energy as a new policy issue to be addressed in this and subsequent regional reports.

"Southern California continues to grow as a world-class region, but has become increasingly stifled by inadequate infrastructure and non-sustainable energy consumption habits," said Riverside Mayor Ron Loveridge, who chairs SCAG's Benchmark Task Force that developed the report. "This Report serves as an important benchmark for policymakers to gauge what areas need improvement to achieve a higher quality of life for our region."

Southern California again ranked as the nation's most congested metropolitan area, receiving an F grade in mobility for the second year in a row. This grade reflects increased gridlock and commuter delays. The average Southern Californian spent about 90 hours sitting in traffic this past year, the most time wasted among the nation's largest metropolitan areas. Only a slight increase in carpooling to 12.6 percent, a high rate of more than 74 percent of commuters driving alone and more than 1,800 highway fatalities also contributed to this year's F grade. However, SCAG pointed to recent milestones which should help provide financial resources and leadership to overcome the crisis, particularly with the passage of Measure M in Orange County and the statewide infrastructure bonds.

"The challenges raised by the State of the Region are interrelated," said Los Angeles County Supervisor and SCAG President Yvonne B. Burke. "Lower income residents tend to have fewer educational opportunities to obtain better paying jobs. Without higher wages, they cannot afford a home and have to move farther away from their job. They must spend more time on the roads and add to our congestion and air quality problems."

SCAG's inclusion of an energy section in this year's State of the Region Report reflects its increasing concern for addressing our region's energy consumption habits and needs. California is the second largest consumer of energy in the nation (and the largest consumer of gasoline), and is also one of its largest producers and refiners. California ranks fourth in both crude oil reserves and crude oil production, and it has the third largest refining

(more)

capacity in the nation. In addition to discussing energy in this year's State of the Region report, SCAG is also developing a new energy chapter in its upcoming Regional Comprehensive Plan.

"From the perspective of local government, it is clear that we can no longer make policy decisions based on the obsolete assumption there will always be abundant quantities of affordable fossil fuels," said Huntington Beach Councilmember and SCAG Benchmarks Task Force Vice Chair Debbie Cook. "We need a strategic plan to respond to the energy challenges that lie ahead from basic household heating to how we build our homes."

Despite a near-record number of housing construction permits issued, the State of the Region Report indicates a nearly record low level of affordability in 2005 kept Southern California's housing grade at a D in this year's report. This was due to continued sharp increases in home prices and rental costs significantly outpacing growth and low interest rates. Southern Californians pay a higher percentage of their income on their homes than residents of all other major metropolitan cities. The region's 56 percent homeownership rate is well below the 67 percent national average. Among the nation's nine major metropolitan areas, Southern California has the highest percentage of households spending more than 30 percent of their income on housing. Southern California also scored mixed grades in the other five areas:

- **Air Quality (C)** – Southern California remains a non-attainment region because of high pollution levels. The number of days exceeding the federal 8-hour ozone standards in the South Coast was 84 days, Ventura County had 11 days, the Mojave Desert had 55 days and the Salton Sea Air Basin had 43 days.
- **Employment (B)** – In 2005, the regional job market continued to show a broad-based expansion. The region created 120,000 jobs in 2005, with a 1.7 percent growth that is better than the rest of the state. The region's 5 percent unemployment rate is lower than the national average for the first time since 1988.
- **Income (C)** – The region's per capita income increased by 1 percent to \$35,000, but saw a decrease in real median household income by 0.5 percent to \$52,000. With one in five children below the poverty line, Southern California has the highest poverty rate among the largest metropolitan regions in the nation.
- **Education (D)** – With the exception of Ventura and Orange Counties, 7<sup>th</sup> graders throughout the region continue to perform below the national median in reading and math test scores. Every county in the region had less than 40 percent of high school graduates meeting UC/CSU entrance requirements.
- **Safety (B)** – Violent crime rates across the region declined by about 11 percent. However, the number of hate crimes increased by 4 percent, reversing the recent trend of decline.

"Changes are taking place across the board that we are confident will lead Southern California back to a time of increased economic performance, greater prosperity, and better grades," said San Bernardino County Supervisor and SCAG First Vice President Gary Ovitt.

SCAG Executive Director Mark Pisano discussed several important efforts to address the report's stark findings. He noted that innovative financing such as public-private-partnerships will be necessary to cover the funding debt still remaining even with the passage of the infrastructure bond measure. He also talked about how SCAG is working with cities through its Compass Blueprint Program to help with local planning that better coordinates land use and transportation to accommodate future growth.

"While the findings of this year's State of the Region report are, for the most part, fairly grim, it is clear that our region has the leadership and the public's support to take us through these challenges and get Southern California on the road to success and sustainability now and in the future," said Pisano.